Department of Veterans Affairs **VHA DIRECTIVE 2000-040**
Veterans Health Administration
Washington, DC 20420 **October 24, 2000**

CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES (CARES) PROGRAM

1. PURPOSE: This Veterans Health Administration (VHA) Directive describes the Capital Asset Realignment for Enhanced Services (CARES) program. ***Note:*** *This directive rescinds VHA Directive 2000-032 dated September 26, 2000.*

2. BACKGROUND

a. The CARES program will assess veteran health care needs in VHA Networks, identify service delivery options to meet those needs in the future, and guide the realignment and allocation of capital assets to support the delivery of health care services. CARES will, thereby, improve quality as measured by access and veteran satisfaction, and improve the delivery of health care in the most accessible and cost-effective manner, while maximizing positive influences and minimizing any adverse impacts on staffing and communities and on other Department of Veterans Affairs' (VA) missions.

b. VHA's current health care delivery model emphasizes a continuum of care provided within a regional or Network-based integrated delivery system. The existing capital infrastructure was designed primarily for inpatient care and, as a result, VHA's capital assets do not align with current health care needs for optimal efficiency in many cases. The cost to maintain and operate Department of Veterans Affairs'(VA) health care facilities that cannot provide efficient and accessible services substantially diminishes resources that could otherwise be used to provide better care in more appropriate settings. VHA's National Strategic Planning Guidance sets forth requirements for Network strategic plans to clearly identify health care needs of the veteran population served by that Network, and articulates a framework to develop strategic plans to address those needs. Health care needs identified in the strategic plans will provide the context and the framework for capital asset management decisions. The CARES program, through Network-based planning, will facilitate identification of projected veterans' health care needs and promote subsequent corresponding strategic realignment of capital assets linked to those needs. CARES will improve access and enhance VHA's delivery of health care by maintaining an environment that maximizes the quality of health care.

3. POLICY: It is VHA policy to effectively realign capital assets, to meet veterans' current and projected health care needs through the CARES Program, beginning in October 2000.

4. ACTION: All Networks will develop capital asset realignment plans to support quality health care delivery, improve access to veterans' health care services, and guide future capital investments.

a. **Conduct Network Planning Studies**

(1) **Resources.** Fiscal Year (FY) 2000 Advance Planning Funds (APF) will be used to initiate CARES studies. VHA Headquarters will identify additional funds in FY 2001 and FY 2002 to perform remaining CARES studies.

(2) **Needs Assessment and Service Delivery Option Development.** VHA will conduct planning studies of the local health care markets within each region or Network (CARES studies). To ensure objectivity and independent analysis, a health care contractor will be used to provide a detailed analysis of current and future veterans' health care needs and the capabilities of each Network to meet those needs. The CARES studies will identify multiple service delivery options in those markets. Each service delivery option proposed must clearly demonstrate adherence to each of the VHA CARES evaluation criteria identified in Attachment A.

(3) **Capital Realignment Proposal Development.** Each service delivery option will identify an associated capital realignment plan for implementing the proposed service delivery option. The Under Secretary for Health may approve a waiver for a formal CARES study; however, it is generally expected that each Network will conduct a formal CARES study and waivers will be considered only in those unique situations where prior Network planning and analysis, as determined by the Under Secretary for Health, have been sufficient to address all the pertinent CARES planning assumptions and evaluation criteria.

(4) **Network Coordination and Administration of the CARES Studies.** Each Network will convene a CARES Support Task Force (CSTF) to serve as a Network steering committee for the CARES studies. The CSTF will coordinate and facilitate the performance of the CARES study with the contractor. This coordination will include communicating Network strategic goals and objectives, the current Network strategic mission for each facility, current and projected clinical needs, demographic projections, strategic workload information, and other relevant Network planning information and data to the contractor throughout the performance of the study.

(5) **CSTF Membership.** The CSTF membership, selected by the Network Director, will include representatives of VHA field management from within the Network, including representation from the VHA missions of education (Academic Affiliations) and research, as well as from the Veterans Benefits Administration (VBA) regional offices and the National Cemetery Administration (NCA), as appropriate, for One VA input into the development of the Network health care service delivery and capital asset realignment options.

(6) **Communications Coordinator.** A key member of the CSTF will be designated as a stakeholder communications coordinator. This member will ensure that VA's stakeholder constituency is kept fully informed throughout the process and that appropriate input is obtained. Communication with stakeholders will include meetings, as well as written communications at all key milestones of the process and as requested at other points during the process. The stakeholder communications coordinator will ensure that all stakeholder comments and concerns are communicated to both the CSTF and contractor for consideration and will document stakeholder comments and concerns, along with action taken by the Network, the CSTF, or by the contractor in response to the stakeholder input.

b. **Preparation and Submission of CARES Proposals**

(1) At the conclusion of the CARES study, the contractor will identify a series of service delivery options for meeting veterans' health care needs in the Network. Each service delivery option will identify an associated capital asset realignment plan for implementing the proposed service delivery option. A service delivery option, together with its associated capital asset realignment proposal, will be defined as a CARES option.

(2) Upon completion of the contractor analysis, the Network will verify that each CARES option complies with all of the absolute criteria and addresses the discriminating criteria that are identified in the VHA CARES Evaluation Criteria contained in Attachment A.

(a) As part of this evaluation, the CSTF will convene a Veterans Integrated Service Network (VISN) clinical workgroup to assess that each CARES option meets or exceeds the absolute health care needs criteria for health care quality.

(b) Each CARES option must clearly articulate how the proposed service delivery option and capital asset realignment will address the identified criteria:

1. Health care quality and need,

2. Health care quality as measured by access,

3. Health care quality as measured by veteran satisfaction,

4. Impact on staffing and community,

5. Impact on other VA missions, and

6. Impact on resources.

(c) The CSTF, and its clinical work group, will work collaboratively with a VHA Headquarters-directed expert clinical group to ensure that all service delivery options meet or exceed the absolute criteria.

c. **VHA Headquarters' Review and Approval of CARES Options**

(1) The contractor will submit completed CARES options to VHA Headquarters at the conclusion of the CARES studies. Concurrent with this submission, the Network Director will submit a report to the Deputy Under Secretary for Health. The executive summary of this report will include an assessment of the relative strengths and weaknesses of each CARES option and the ability of each option to support the Network's strategic goals and objectives, as well as the Uniform Benefits Package created in response to the Veterans' Health Care Eligibility Reform Act of 1996, and to the Millennium Health Care and Benefits Act of 1999.

(2) **National CARES Project Team (NCPT)**

(a) VHA will establish a multidisciplinary NCPT to manage the CARES program. A full-time team manager will be identified and will report directly to the Deputy Under Secretary for Health. The project team will be comprised of VHA staff from the Office of the Under Secretary for Health, Policy and Planning Office, Facilities Management Office, the Chief Finance Office, Communications Office, and Office of Patient Care Services. The NCPT will consult with and seek input from the Offices of Research, Academic Affiliations, VBA, NCA, Management, General Counsel, and Policy and Planning, as appropriate. These representatives will be made aware of and invited to participate in NCPT meetings. Input is to be obtained from VBA and NCA at the initiation of the CARES studies and at each major review and evaluation process of potential options to ensure that One-VA collocation and support issues are addressed. NPCT, relying on an expert work group of health care providers, will rank the CARES options contained in the report submitted by the contractor using the quantitative decision methodology for health care quality and need in Attachment A.

(b) Major duties of the NCPT include:

1. Coordinate the technical administration of the CARES contract at the VHA Headquarters level, as well as seeking expertise from appropriate VA program offices.

2. Review CARES options for consistency with veterans' health care needs and the performance goals and objectives in the VISN strategic plans.

3. Assure CARES options address clinical compliance with Special Disability Programs capacity requirements.

4. Assure CARES options are compatible with VHA and Departmental strategic goals.

5. Ensure that each CARES option provides specific quantifiable documentation that addresses the discriminating criteria identified in the CARES Evaluation Criteria in Attachment A.

6. Score and rank each VISN's CARES option submitted by the contractor.

7. Prepare a summary of all CARES options and the evaluation of each option to brief VHA senior management.

8. Prepare the final summary from the National CARES Steering Committee (NCSC) including stakeholders' comments and all necessary staff support until the completion of the CARES project.

(3) **NCSC.** VHA will convene a NCSC comprised of VHA senior managers, senior clinical program managers and VA Departmental senior managers, including NCA and VBA. The NCSC will review and evaluate CARES options and will coordinate them with VA's national

stakeholder representatives (Veterans Service Organizations (VSOs), Congressional staff, Office of Management and Budget (OMB), Department of Defense (DOD), General Accounting Office (GAO), academic affiliates, etc.) for comment. Following this evaluation, the NCSC, in an advisory role to the Under Secretary for Health, will formulate a decision memo for consideration by the VHA Policy Board. The Policy Board will recommend a preferred CARES option for each VISN for acceptance by the Under Secretary for Health. ***NOTE:*** *The NCPT will provide staff support to the NCSC during this review and acceptance process.*

(4) CARES options accepted by the Under Secretary for Health that involve a facility closure or a significant mission change of a facility will require approval of the Secretary of Veterans Affairs. A significant mission change is defined as adding to or deleting from a facility's array of direct patient care services involving a realignment of capital assets. Upon approval, the Secretary of Veterans Affairs submits concurrent reports describing the CARES option to appropriate VA Congressional committees and each national stakeholder group prior to implementation. ***NOTE:*** *The NCPT will provide staff support for writing the congressional committee reports.*

(5) Following the formal 45-day comment period, the CARES Project Team will consolidate all comments and return them with the approved CARES option to the Network for implementation.

d. **Implementation of the Capital Asset Plan**

(1) The Network will identify capital investment initiatives required for implementation of the approved CARES option and will incorporate them into the Network capital asset plan. The Capital Asset Plans (CAP) must support veterans' health care needs and reflect linkage of capital proposals to specific strategic goals and objectives in the Network strategic plans.

(2) The Network will complete a capital asset investment application for all capital initiatives in the CAP, including those required for implementing the approved CARES option. Detailed instructions for completing capital asset investment applications and the review and approval thresholds for various types of capital investments are provided in the VSSC Construction and Capital Asset Guidebook. Networks may immediately implement CAP initiatives that fall below established thresholds for further VHA Headquarters' review. Capital asset investment applications that require VHA Headquarters' review, but do not require submission to the VA Capital Investment Board (VACIB), will be validated by the CARES Project Team and returned to the Network for implementation.

(3) Major capital asset investment applications that require review by the VACIB will be submitted in accordance with the Capital Investment Methodology Guide, dated May 2000. The VACIB will conduct a strategic review of all major capital asset investment applications in accordance with the existing VA Capital investment process and consolidate approved capital investments in the Agency Capital Plan.

5. REFERENCES

a. OMB Capital Programming Guide, July 1997.

b. VA Capital Investment Methodology Guide, May 2000.

c. VHA National Strategic Planning Guidance, July 15, 1999.

d. VHA Directive 1660.1, Enhanced Health Care Resource Sharing Authority – Selling.

6. FOLLOW-UP RESPONSIBILITY: This Directive is the responsibility of the Office of the Deputy Under Secretary for Health (10A1) 202-273-5878.

7. RESCISSIONS: VHA Directive 2000-032, dated September 26, 2000, is rescinded. This VHA Directive expires October 31, 2005.

Thomas L. Garthwaite, M.D.
Under Secretary for Health

Attachment

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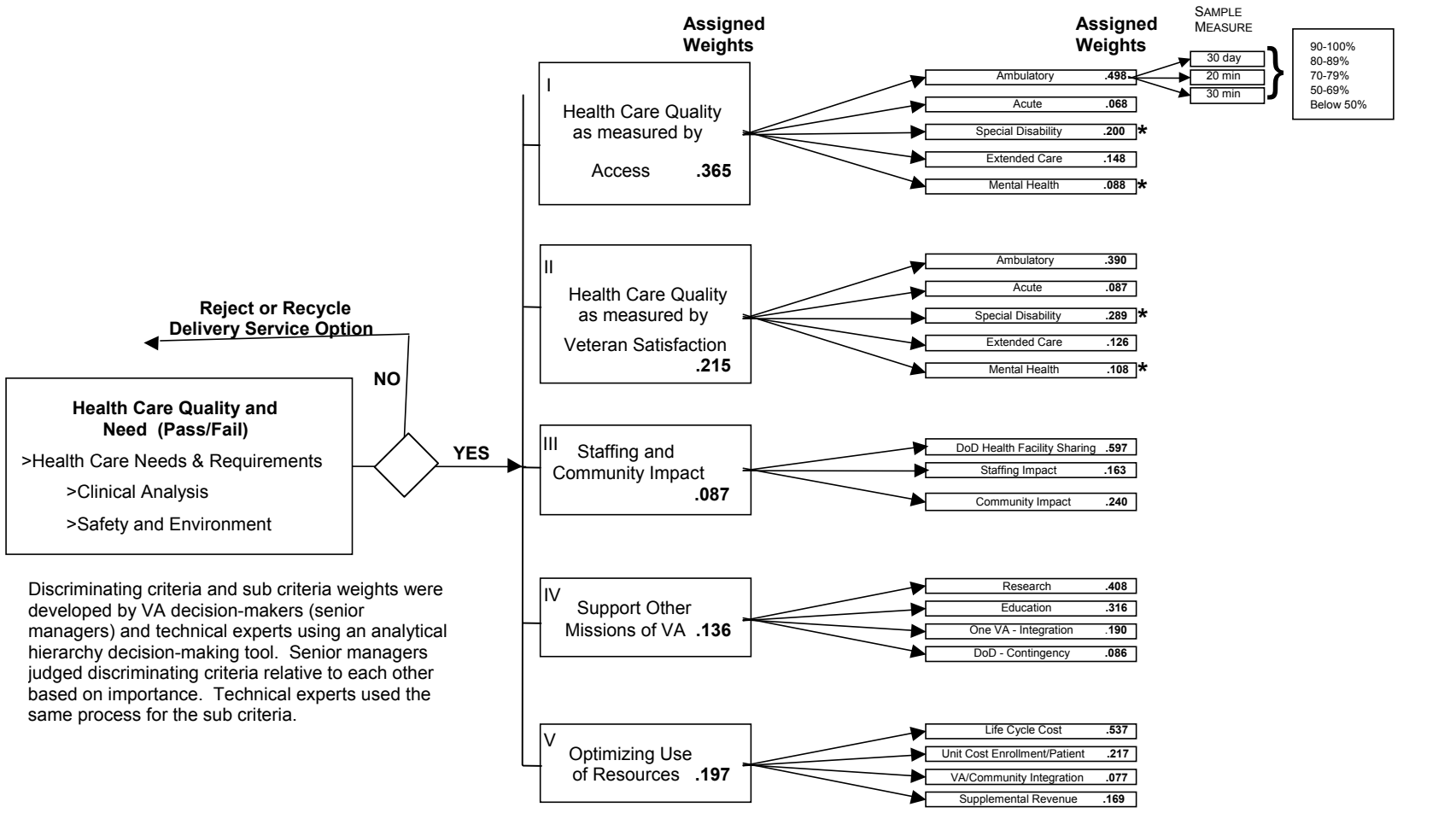
CARES EVALUATION CRITERIA



Discriminating criteria and sub criteria weights were developed by VA decision-makers (senior managers) and technical experts using an analytical hierarchy decision-making tool. Senior managers judged discriminating criteria relative to each other based on importance. Technical experts used the same process for the sub criteria.

* Special Disability Groups of SMI, PTSD, Homeless and Substance Abuse are also considered Mental Health Programs.